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January 20, 2021

The Honorable Toni Atkins
Senate President pro Tempore
State Capitol Building, Room 205
Sacramento, CA 95814

The Honorable Anthony Rendon
Assembly Speaker
State Capitol Building, Room 219
Sacramento, CA 95814

Dear Pro Tem Atkins and Speaker Rendon:

Counties faced challenges in 2020 unlike any other year in memory. Not all of the challenges were the ones we anticipated in the early days of the pandemic, before the beginning of another historic fire season, but through these many long months the state repeatedly relied on counties to help combat the health and economic effects of both, just as counties depended on the state for coordination and resources.

We look to continue our partnership as we move confidently into the recovery phase of the difficulties last year brought to our communities. The residents of this state are best served when state and county government work in close coordination. As the state develops its spending plan for the next 18 months, we submit that it is important to listen to the needs of the representatives responsible for providing most of the services you are deciding whether to fund.

Immediate Need for \$1.12 Billion for Local Public Health

Most critically, local health departments immediately need \$1.12 billion in state and federal funds to deploy vaccines, conduct contact tracing and disease investigation, and test for COVID-19 in numbers required to control the spread of the virus. As detailed in our letter dated January 11, without funding at this level, local public health departments will be unable to maintain the current standard of the services most necessary to continue California's anti-COVID efforts, including:

- Vaccine distribution sites.
- Mobile strike teams to vaccinate vulnerable and at-risk populations.
- Testing sites sufficient to meet still-increasing demand.
- Contact tracing and disease investigation, which would otherwise need to be backfilled by the state.

We additionally request the state reinvest \$50 million in our public health infrastructure beyond the current pandemic to improve health equity, reduce the reach of preventable diseases, and prepare for future health emergencies.

Begin Implementing the Broadband for All Action Plan

CSAC also urges you to begin taking steps now to close the Digital Divide that cuts so many Californians off from modern life, including education, health, and work opportunities found online. The pandemic did not cause the Digital Divide, but it has highlighted the deep, and only increasing, inequities between those able to access broadband and those who cannot.

Counties join state leaders in advocating for broadband infrastructure funding from the federal government, but we cannot wait idly. California should take actions now that will maximize the effectiveness of current and future funds, many of which are detailed in the Broadband for All Action Plan. The reforms and funding authorization contained in AB 14, SB 4, and the Action Plan cannot wait another year, and we encourage policymakers to adopt them on an accelerated timeline. Most of the costs are one-time in nature and not only increase equity broadly, but would also act as a multiplier on economic progress, making them an ideal use for one-time funds.

Positive Budget Proposals

Counties appreciate the many items in the Governor's January Budget Proposal that recognize the most important challenges facing California—including homelessness, wildfires, healthcare, behavioral health, and housing—and the important connection the state has with counties.

Homelessness

For instance, Project Homekey will allow counties and cities to provide housing to thousands of Californians, and the additional \$750 million in proposed one-time funds will help us build on that effort. We likewise support the \$750 million proposed for behavioral health continuum infrastructure, which will make outpatient treatment options more widely available, and appreciate the \$250 million proposal to prevent homelessness among older adults.

Wildfire Resilience and Recovery

After another historic fire season, we were pleased to see the Governor propose \$1 billion for forest resilience, consistent with the Forest Resilience Action Plan. Budgeting \$323 million in the current year, as proposed, will help the state begin this important work before the next fire season begins. We also appreciate the \$256 million proposed to assist local governments in responding to, and recovering from, disasters and emergencies. We note that estimates for disaster-related property tax backfills were not included, and while we understand reliable estimates were not available in time, we would like to remind you of the important role of these funds in ensuring local services do not decline just at the time they are most needed.

CalAIM and the Master Plan for Aging

CalAIM, which will help streamline and improve Medi-Cal, was unfortunately delayed due to COVID-19 impacts, so counties appreciate the \$1.1 billion to implement CalAIM initiatives proposed to begin on January 1, 2022. The release of the Master Plan for Aging presents a key opportunity to improve the well-being of older adults. Counties are grateful for the proposed investments to begin its implementation and look forward to continuing our partnership on this ambitious project.

Housing

CSAC supports the Governor's proposal for an additional \$500 million to fund infrastructure improvements necessary to support infill housing development. Similar to the 2019 Infill Infrastructure Grant Program, CSAC encourages the Legislature to include dedicated funding for projects in small and rural communities, where infrastructure improvements are often necessary *prior* to receiving interest

from a developer for an infill housing project. Moreover, to encourage infill development in small rural downtowns in addition to California's suburban and urban cores, we encourage the use of an infill definition that is flexible enough to apply in rural communities.

CSAC also supports the proposal for an additional one-time allocation of \$500 million in state low-income housing tax credits. This state subsidy, which will leverage additional federal and local resources, is necessary to help California fill the significant gap between the amount of affordable housing that local agencies plan for in their housing elements and the limited funding available to developers to build those units.

In closing, we wish to extend our thanks for the willingness to work with CSAC that state leaders have often shown. Like the state, counties are here to serve every Californian with both the practicality and compassion needed in a year that we all hope will be one of healing.

Respectfully,



Graham Knaus
Executive Director

Cc: Senator Nancy Skinner, Chair, Senate Budget & Fiscal Review Committee
Assembly Member Phil Ting, Chair, Assembly Budget Committee
Senator Jim Nielsen, Vice Chair, Senate Budget & Fiscal Review Committee
Assembly Member Vince Fong, Assembly Budget Committee
Members and Consultants, Senate and Assembly Budget Committees